

# Consumer Protection

## MISSION STATEMENT

The mission of the Office of Consumer Protection is to enforce consumer protection laws prohibiting unfair and deceptive business acts or practices to ensure a fair marketplace for consumers and businesses. Activities include complaint resolution, law enforcement, education, legislation, advocacy, and outreach to vulnerable consumers.

## BUDGET OVERVIEW

The total recommended FY07 Operating Budget for the Office of Consumer Protection is \$2,601,710. Personnel Costs comprise 94.5 percent of the budget for 24 full-time positions and one part-time position for 24.3 workyears. Operating Expenses account for the remaining 5.5 percent of the FY07 budget.

## HIGHLIGHTS

- ❖ *First full year of the Office of Consumer Protection, which was formerly part of the Department of Housing and Community Affairs.*
- ❖ *Productivity Enhancements*
  - *Conducted the Consumer Protection Symposium for Hispanic Leaders.*
  - *Coordinated the Housing and Consumer Protection Day Fair.*
  - *Criminally prosecuted more than 25 unlicensed contractors.*
  - *Published the third annual report on gift cards.*

## PROGRAM CONTACTS

Contact Eric Friedman of the Office of Consumer Protection at 240.777.3719 or Rose Glavinic of the Office of Management and Budget at 240.777.2769 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Consumer Protection

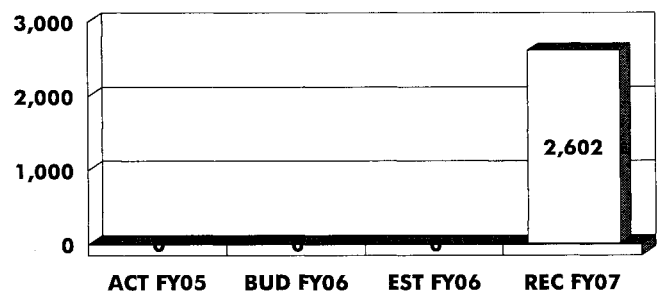
The Office of Consumer Protection receives and investigates complaints and initiates its own investigations of deceptive or unfair trade practices against consumers. Staff resolves disputes between consumers and merchants, identifies violations of county, state, and federal consumer protection laws, and makes referrals to other agencies when appropriate. Complaint categories include automotive sales/repairs, new home construction, home improvement repairs, predatory financial practices, credit and collection practices, telemarketing, and retail sales.

The Office of Consumer Protection issues subpoenas to compel the production of documents or compel the attendance of

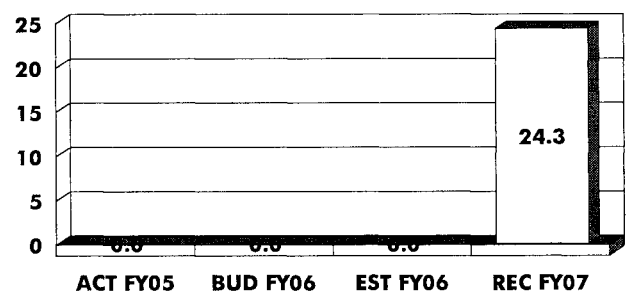
## Program Summary

|  | Expenditures | WYs  |
|--|--------------|------|
| Consumer Protection                        | 2,377,720    | 22.4 |
| Commission on Common Ownership Communities | 223,990      | 1.9  |
| Totals                                     | 2,601,710    | 24.3 |

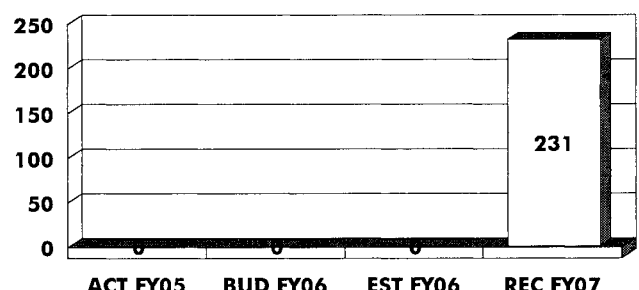
## Trends



EXPENDITURES [\$000s]



WORKYEARS



RELATED REVENUES [\$000s]

witnesses. The office is authorized to hold hearings, administer oaths, and issue civil citations for violations of consumer protection laws. Special investigations are conducted and may result in Settlement Agreements or abatement orders, or in transmitting cases to the Office of the County Attorney for appropriate legal action. Investigators initiate charges for criminal prosecutions by the Office of the State's Attorney, and investigators also testify in court as expert witnesses. In addition, the office engages in consumer advocacy by testifying before county, state, and federal legislative bodies and by drafting new legislation to protect consumers.

The Office of Consumer Protection develops and conducts consumer education programs. The office issues press releases through the Public Information Office, holds press conferences, and publishes consumer brochures, staff responds to requests for information regarding consumer protection rights and remedies. Staff makes presentations at schools; community, business and civic group meetings; and frequently appear on television and radio news programs. The office maintains a webpage containing consumer protection information, a record of the number of complaints received against merchants, and consumer alerts. Outreach efforts include initiatives to better address the needs of vulnerable consumers, underserved communities, and residents with limited English proficiency. The Office also works with the Advisory Committee on Consumer Protection.

The Office of Consumer Protection is responsible for licensing or registering automobile repair and towing businesses; new homebuilders; radio, television and electrical appliance repair shops; and secondhand personal property dealers.

#### **FY07 Recommended Changes**

|                            | <b>Expenditures</b> | <b>WYs</b>  |
|----------------------------|---------------------|-------------|
| <b>FY06 Approved</b>       | <b>0</b>            | <b>0.0</b>  |
| <b>FY07 CE Recommended</b> | <b>2,377,720</b>    | <b>22.4</b> |

### **Commission on Common Ownership Communities**

The Office of Consumer Protection serves as staff to the Commission on Common Ownership Communities. This Commission serves as an alternative dispute resolution mechanism to mediate and arbitrate certain disputes between the governing bodies of homeowner associations, condominium associations, and cooperatives, and the individuals living within these common ownership communities. The Commission also provides education to governing bodies of common ownership communities and their residents and acts as an advocate for their interests.

#### **FY07 Recommended Changes**

|                            | <b>Expenditures</b> | <b>WYs</b> |
|----------------------------|---------------------|------------|
| <b>FY06 Approved</b>       | <b>0</b>            | <b>0.0</b> |
| <b>FY07 CE Recommended</b> | <b>223,990</b>      | <b>1.9</b> |

## BUDGET SUMMARY

|  | Actual<br>FY05 | Budget<br>FY06 | Estimated<br>FY06 | Recommended<br>FY07 | % Chg<br>Bud/Rec |
|--|----------------|----------------|-------------------|---------------------|------------------|
| <b>COUNTY GENERAL FUND</b>                 |                |                |                   |                     |                  |
| <b>EXPENDITURES</b>                        |                |                |                   |                     |                  |
| Salaries and Wages                         | 0              | 0              | 0                 | 1,760,900           | —                |
| Employee Benefits                          | 0              | 0              | 0                 | 696,760             | —                |
| <b>County General Fund Personnel Costs</b> | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>2,457,660</b>    | —                |
| Operating Expenses                         | 0              | 0              | 0                 | 144,050             | —                |
| Capital Outlay                             | 0              | 0              | 0                 | 0                   | —                |
| <b>County General Fund Expenditures</b>    | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>2,601,710</b>    | —                |
| <b>PERSONNEL</b>                           |                |                |                   |                     |                  |
| Full-Time                                  | 0              | 0              | 0                 | 24                  | —                |
| Part-Time                                  | 0              | 0              | 0                 | 1                   | —                |
| Workyears                                  | 0.0            | 0.0            | 0.0               | 24.3                | —                |
| <b>REVENUES</b>                            |                |                |                   |                     |                  |
| New Home Builder License                   | 0              | 0              | 0                 | 171,500             | —                |
| Consumer Affairs Business Licenses         | 0              | 0              | 0                 | 59,890              | —                |
| <b>County General Fund Revenues</b>        | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>231,390</b>      | —                |

## FY07 RECOMMENDED CHANGES

|  | Expenditures     | WYs         |
|--|------------------|-------------|
| <b>COUNTY GENERAL FUND</b>   |                  |             |
| <b>FY06 ORIGINAL APPROPRIATION</b>   | <b>0</b>         | <b>0.0</b>  |
| <b><u>Changes (with service impacts)</u></b>   |                  |             |
| Enhance: Implement Bill 25-05, Create an Office of Consumer Protection (OCP) Director                          | 151,670          | 1.0         |
| Enhance: Create - Investigator III to assist with consumer complaints, especially for the Hispanic community   | 82,590           | 1.0         |
| Enhance: Implement Bill 25-05, Create an OCP Administrative Specialist III to manage all administrative duties | 59,530           | 1.0         |
| Enhance: Implement Bill 25-05, Create an OCP Information Technology Specialist II                              | 59,530           | 1.0         |
| Enhance: Technical Adjustment  | 0                | 1.0         |
| <b><u>Other Adjustments (with no service impacts)</u></b>  |                  |             |
| Shift: FY06 Personnel Costs from Housing and Community Affairs to Office of Consumer Protection                | 2,045,770        | 19.3        |
| Shift: FY06 Operating Costs from Housing and Community Affairs to Office of Consumer Protection                | 143,380          | 0.0         |
| Increase Cost: Retirement Adjustment   | 32,600           | 0.0         |
| Increase Cost: Group Insurance Adjustment  | 25,970           | 0.0         |
| Increase Cost: Motor Pool Rate Adjustment  | 670              | 0.0         |
| <b>FY07 RECOMMENDED:</b>   | <b>2,601,710</b> | <b>24.3</b> |

## FUTURE FISCAL IMPACTS

| Title   | CE REC.<br>FY07 | FY08         | FY09         | (\$000's)<br>FY10 | FY11         | FY12         |
|---|-----------------|--------------|--------------|-------------------|--------------|--------------|
| This table is intended to present significant future fiscal impacts of the department's programs. |                 |              |              |                   |              |              |
| <b>COUNTY GENERAL FUND</b>  |                 |              |              |                   |              |              |
| <b>Expenditures</b>   |                 |              |              |                   |              |              |
| <b>FY07 Recommended</b>   | <b>2,602</b>    | <b>2,602</b> | <b>2,602</b> | <b>2,602</b>      | <b>2,602</b> | <b>2,602</b> |
| No inflation or compensation change is included in outyear projections.                           |                 |              |              |                   |              |              |
| <b>Elimination of One-Time Items Recommended in FY07</b>  | <b>0</b>        | <b>-12</b>   | <b>-12</b>   | <b>-12</b>        | <b>-12</b>   | <b>-12</b>   |
| Items recommended for one-time funding in FY07 will be eliminated from the base in the outyears.  |                 |              |              |                   |              |              |
| <b>Subtotal Expenditures</b>  | <b>2,602</b>    | <b>2,590</b> | <b>2,590</b> | <b>2,590</b>      | <b>2,590</b> | <b>2,590</b> |